

JEFFERSON, URIAN, DOANE & STERNER, P.A.

WOODBRIIDGE SCHOOL DISTRICT

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

JUNE 30, 2006

FIELDWORK END DATE: MAY 9, 2007

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Independent Accountant's Report on Applying Agreed-Upon Procedures

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The Honorable Valerie A. Woodruff
Secretary, Department of Education
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We have performed the procedures enumerated below, which were agreed to by Woodbridge School District; the Office of Auditor of Accounts; and the State of Delaware Department of Education, solely to assist the specified parties in evaluating the School District's compliance with criteria from the State of Delaware Fixed Asset Policy Manual, the State of Delaware Department of Education School Construction Technical Assistance Manual, the Delaware Code, and the State of Delaware Budget and Accounting Manual relative to the school construction projects administered by the School District for the year ended June 30, 2006. Woodbridge School District's management is responsible for compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* (2003) issued by the Comptroller General of the United States. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. Determine if the School District's policies and procedures for identifying, tracking, and recording capital assets are adequate.

There are no findings upon completion of Woodbridge School District's construction program and project checklists.

2. Determine whether the School District's construction project records and files (current and prior fiscal years) are accurate.

Upon completion of Woodbridge School District's construction program and project checklists, our procedures resulted in finding(s), see *Appendix A*.

3. Determine if expenditures are accurately stated and are made in accordance with the State Fixed Asset Policy Manual and the intent of the project scope mandated by the General Assembly, the Department of Education, and the Local Board of Education.

During completion of Woodbridge School District's construction program and project checklists, our procedures resulted in finding(s), see *Appendix A*.

4. Determine whether the School District's construction project records and files include only active construction projects as of June 30, 2006. Ensure that completed projects have been appropriately closed out of construction and added to the State Fixed Asset system.

There are no findings upon completion of Woodbridge School District's construction program and project checklists. No projects were completed during the fiscal year ended June 30, 2006.

5. Prepare the School District's Schedule of Construction Projects for Fiscal Year 2006.

See *Appendix C*.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of Woodbridge School District management and Board Members, the Office of Auditor of Accounts, and the State of Delaware Department of Education, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited. This report, as required by statute, was provided to the Office of the Governor, Office of the Controller General, Office of the Attorney General, Office of Management and Budget, Department of Finance, the State Treasurer's Office, and the Office of Auditor of Accounts.

Jefferson, Urian, Doane & Sterner, P.A.

Georgetown, Delaware
May 9, 2007

SCHEDULE OF FINDINGS & RECOMMENDATIONS

APPENDIX A

Procedure Agreed Upon #2

Finding 06-01:

During completion of Woodbridge School District's construction program and project checklist for Troop 5 renovations, it was noted that approval of construction plans, specifications, and cost estimates from Division of Facilities Management was not obtained prior to bid advertisements as required by 29 Del. C. §7419(a). This was due to oversight by School District personnel. Personnel were unable to determine if such approval was requested. Noncompliance with Delaware Code provisions could potentially cause a delay in receiving future State funding.

Recommendation:

Procedures should be established by the Woodbridge School District to ensure that proper approvals of construction plans, specifications, and cost estimates are obtained and that documentation is retained in accordance with the guidelines established by the State of Delaware.

School District's Response:

"The District's professional architect, Robert C. Clendaniel (AIA R. Calvin Clendaniel Associate), was supposed to obtain approval for the project from Facilities Management. Mr. Clendaniel did submit the plans and receive approval from the Department of Education's School Facilities Planning office, but not from Facilities Management. The District will establish procedures to ensure that proper approvals of construction plans, specifications, and cost estimates are obtained and documentation retained in accordance with the guidelines established by the State of Delaware."

Finding 06-02:

During completion of the Woodbridge School District's construction program and project checklist for Troop 5 renovations, it was noted that approval from the Architectural Accessibility Board of the construction project was not obtained as required by 29 Del. C., §7308(a) and Budget and Accounting Policy Manual XII.D.2. This was due to oversight by School District personnel. The School District was unable to determine if such approval was requested. Noncompliance with the State of Delaware provisions, including the Delaware Code and Budget and Accounting Policy Manual, could potentially cause a delay in receiving future State funding.

Recommendation:

Procedures should be established by Woodbridge School District to ensure that proper approvals from the Architectural Accessibility Board are obtained in accordance with guidelines established by the State of Delaware.

SCHEDULE OF FINDINGS & RECOMMENDATIONS

APPENDIX A

Finding 06-02

School District's Response:

"The District's professional architect, Robert C. Clendaniel (AIA R. Calvin Clendaniel Associate), was supposed to obtain approval for the project from the Architectural Accessibility Board. The District will establish procedures to ensure that proper approvals from the Architectural Accessibility Board are obtained in accordance with guidelines established by the State of Delaware."

Finding 06-03:

During completion of the Woodbridge School District's construction program and project checklist for Troop 5 renovations, it was noted that the School District had not obtained the deed to the building from the Delaware State Police (the former owner). School District personnel have made multiple attempts to obtain the deed for over a year; however, the situation is still unresolved. Woodbridge School District does not have legal ownership of the building until the transfer takes place.

Recommendation:

Woodbridge School District should continue their efforts to expedite the title transfer of the deed from the Delaware State Police for the Troop 5 building.

School District's Response:

"The District has been working with Ted Nutter, Real Property Administrator Facilities Management State of Delaware, since 2004 regarding the transfer of the property. Documentation is on file showing correspondence and meetings with Mr. Nutter from as early as November 2005. The District met every request from Mr. Nutter in a timely fashion. The District would gladly continue any effort that would help expedite the title transfer of the deed from the State of Delaware."

Procedure Agreed Upon #3

Finding 06-04:

During completion of the Woodbridge School District's construction program and project checklist, it was noted that School District personnel did not properly code one expenditure. The payment voucher 953907360 totaling \$ 3,315 for maintenance work related to the Woodbridge High School was incorrectly charged to appropriation 7410, Construct New Middle School. Therefore, the Middle School project's construction work in progress is overstated by \$ 3,315. The Certificate of Necessity authorized funding for the planning, constructing and equipping of a 500-pupil middle school addition to the Woodbridge Early Child Center. As required by 29 Del. C. §7415, the funds appropriated by an authorization act may be used only for the costs of the projects set forth in such act.

SCHEDULE OF FINDINGS & RECOMMENDATIONS

APPENDIX A

Recommendation:

Woodbridge School District should reimburse appropriation 7410 \$ 3,315 for work related to Woodbridge High School. In addition, the School District's 2007 GAAP Package should reflect the correction for the "Adjustment to Beginning Balance" column on the "Summary of Construction Work in Progress (CWIP)."

School District's Response:

"The District is in agreement with the recommendation."

Finding 06-05:

During completion of the Woodbridge School District's construction program and project checklist for the renovated field project, it was noted that expenditures exceeded appropriations, which is in violation of 29 Del. C., §6519 and Budget and Accounting Policy Manual, VI.B.1(c). The original project appropriation for Renovation Fields was \$ 785,000. On December 22, 2005, a revised Certificate of Necessity was issued leaving \$ 323,500 for appropriation 7513. The project's expenditures totaled \$ 323,999 as of June 30, 2006, for an excess of expenditures over appropriations of \$ 499. School District personnel made a judgment error when calculating the excess funds available for transfer from the project and did not detect the over-expenditure because the revised appropriation was not reflected on the Cumulative YTD Statement of Budget Activity and Account Balances for the year ended June 30, 2006.

Recommendation:

Woodbridge School District should reimburse appropriation 7513 \$ 499 for the excess expenditures. The School District should also correct the Cumulative YTD Statement of Budgetary Activity and Account Balances to reflect the revised Certificate of Necessity for appropriation 7513.

School District's Response:

"The District is in agreement with the recommendation."

SCHEDULE OF CONSTRUCTION PROJECTS

APPENDIX C

Project Name	Fiscal Year	Original Funding Amount	De-auth Funding Amount	Total Project Funding to Date	Expended Current FY	Expended Prior FY's	Total Project Expended to Date	Total Unspent as of 06/30/06
Construct New Middle School	2002	\$ 1,760,600	\$ -	\$ 1,760,600	\$ -	\$ 1,760,600	\$ 1,760,600	\$ -
	2003	9,293,200	-	9,293,200	-	9,293,200	9,293,200	-
	2004	1,600,000	(65,000)	1,535,000	19,591	1,497,144	1,516,735	18,265
Construct New Agriculture Building	2003	750,000	65,000	815,000	51,945	763,055	815,000	-
New Athletic Fields	2005	2,958,000	211,500	3,169,500	915,779	187,997	1,103,776	2,065,724
Renovated Fields	2005	785,000	(461,500)	323,500	279,289	44,710	323,999	(499)
Renovated Troop 5	2005	338,000	250,000	588,000	434,321	8,757	443,078	144,922
Totals		\$ 17,484,800	\$ -	\$ 17,484,800	\$ 1,700,925	\$ 13,555,463	\$ 15,256,388	\$ 2,228,412

Note 1 - The questioned costs in Finding 06-04 of \$ 3,315 are included in current expenditures of \$ 19,591 for Construct New Middle School.

Note 2 - The schedule above reflects the approved transfer of funds of \$ 461,500 from the Renovated Fields project to the New Athletic Fields project as discussed in Finding 06-05, although the funds transfer was not recorded on the School District's Cumulative YTD Statement of Budgetary Activity and Account Balances for the year ended June 30, 2006.

DISTRIBUTION OF REPORT

Copies of Woodbridge School District's Agreed-upon Procedures Attestation Engagement will be distributed by the Office of the Auditor of Accounts to the following public officials:

Executive Branch

The Honorable Ruth Ann Minner, Governor, State of Delaware
The Honorable Richard S. Cordrey, Secretary, Department of Finance
The Honorable Jennifer W. Davis, Director, Office of Management and Budget
The Honorable Valerie A. Woodruff, Secretary, Department of Education
Ms. Trisha Neely, Director, Division of Accounting
Mr. R. Thomas Wagner, State Auditor, Office of the Auditor of Accounts

Legislative Branch

The Honorable Russell T. Larson, Controller General, Office of Controller General

Other Elective Offices

The Honorable Joseph Biden, III, Attorney General, Office of the Attorney General
The Honorable Jack Markell, Treasurer, State Treasurer's Office

Other

Ms. Dorcell S. Spence, Associate Secretary - Finance and Administrative Services Branch, Department of Education
Dr. Kevin E. Carson, Superintendent, Woodbridge School District